

# Year 12 Economics

## 2009 Half Yearly Marking Guidelines

### Section I

1.c 2.d 3.a 4.a 5.b 6.c 7.b 8.b 9.b 10.b

### Section II

11. (10 marks)

a) (a) Distinguish between net foreign debt and net foreign equity (2 marks)

Answer	Mark
The two terms clearly defined	2
One term defined	1

(b) Discuss ONE advantage and ONE disadvantage of foreign investment in Australia (4 marks)

Answer	Mark
ONE advantage eg increased production, taxation, and ONE disadvantage of foreign investment eg profits sent OS, increase in net income debits, clearly discussed	3-4
One advantage/disadvantage discussed	1-2

(c) Explain the costs involved in Australia's large stock of net foreign debt and equity (4 marks)

Answer	Mark
Detailed explanation of costs eg current account deficit, foreign debt, credit rating	3-4
Limited explanation of costs	1-2

12. (10 marks)

(a) Identify ONE factor affecting the supply of the Australian dollar (1 mark)

Answer	Mark
One factor identified eg imports, tourists going OS, speculators	1

(b) Define the term exchange rate (2 marks)

Answer	Mark
Clear definition	2
Limited definition	1

(c) Describe what is meant by a floating exchange rate (3 marks)

Answer	Mark
Clear description of floating exchange rate ie effect of market forces such as X, M, tourism, speculators	2-3
Limited description	1

(d) Outline the effects of fluctuations in the Australian dollar on Australia's exports (4 marks)

Answer	Mark
Distinct outline the effects of fluctuations in the Australian dollar on Australia's exports eg \$Aus increases, decrease in demand except if product is price inelastic	2-3
Limited outline	1

13.

(a) Identify the two main components of the Balance of Payments. (1 mark)

Answer	Mark
Current a/c and Capital & Financial A/c	1

(b) Describe one factor contributing to the size of Australia's current account deficit. (2 marks)

Answer	Mark
One factor clearly described eg Balance of trade, net incomes, value of \$Aus	2
One factor described	1

(c) Outline how a sustained increase in the current account deficit could affect an economy. (3 marks)

Answer	Mark
Distinct outline of effect eg increase in interest repayments, increase in interest rates, depreciation of \$Aus, structural change	3
Limited outline	1-2

- (d) Describe ONE cause and ONE effect of structural change on Australian industry.  
(4 marks)

Answer	Mark
Clear description of ONE cause eg decreasing protection, technology and ONE effect of structural change eg structural unemployment, retraining, more imports	3-4
Limited description	1-2

### Section III 20 marks

14. Analyse the impact of protection on the global economy.

<ul style="list-style-type: none"> <li>▪ Details a range of protection methods used – tariffs, quotas, subsidies, embargoes etc</li> <li>▪ Demonstrates clear and concise understanding of the impact of protection such as increased price, decreased quantity, lessens trade, lack of comparative advantage, misallocation of resources, redistribution of income.</li> <li>▪ Integrates an extensive and appropriate range of economic terms with relevant concepts, relationships and graphs.</li> <li>▪ Synthesises economic data and other information to develop a sustained, logical and well-structured response.</li> </ul>	17–20
<ul style="list-style-type: none"> <li>▪ Details some types of protection methods used.</li> <li>▪ Demonstrates an understanding of the impact of protection.</li> <li>▪ Consistently applies appropriate economic terms with relevant concepts, relationships and graphs.</li> <li>▪ Uses economic data and other information to develop a logical and well structured response.</li> </ul>	13–16
<ul style="list-style-type: none"> <li>▪ Sketches some protection methods.</li> <li>▪ Provides some understanding of the impact of protection.</li> <li>▪ Applies appropriate economic terms with relevant concepts and relationships.</li> <li>▪ Uses some economic data and other information to develop a coherent response.</li> </ul>	9–12
<ul style="list-style-type: none"> <li>▪ Sketches in general terms types of protection.</li> <li>▪ Provides limited understanding of the impact of protection.</li> <li>▪ Uses some appropriate economic terms and concepts.</li> <li>▪ Uses some economic data to develop a generalised response.</li> </ul>	5–8
<ul style="list-style-type: none"> <li>▪ Uses some economic terms.</li> <li>▪ Presents a limited response.</li> </ul>	1–4

### Question 15

Critically analyse the impact of globalisation on the performance of an economy other than Australia.

<ul style="list-style-type: none"><li>▪ Critically analyses the impact of globalisation on the performance of an economy other than Australia.</li><li>▪ Integrates an extensive and appropriate range of economic terms with relevant concepts, relationships and theory.</li><li>▪ Synthesises economic data and other information to develop a sustained, logical and well-structured response.</li></ul>	17–20
<ul style="list-style-type: none"><li>▪ Analyses the impact of globalisation on the performance of an economy other than Australia.</li><li>▪ Consistently applies appropriate economic terms with relevant concepts, relationships and theory.</li><li>▪ Uses economic data and other information to develop a logical and well-structured response.</li></ul>	13–16
<ul style="list-style-type: none"><li>▪ Describes the impact of globalisation on the performance of an economy other than Australia.</li><li>▪ Applies appropriate economic terms with relevant concepts and relationships.</li><li>▪ Uses some economic data and other information to develop a coherent response.</li></ul>	9–12
<ul style="list-style-type: none"><li>▪ Sketches in general terms, the impact of globalisation.</li><li>▪ Uses some appropriate economic terms and concepts.</li><li>▪ Uses some economic data to develop a generalised response.</li></ul>	5–8
<ul style="list-style-type: none"><li>▪ Uses some economic terms.</li><li>▪ Presents a limited response.</li></ul>	1–4